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FILE NO 21043 000522

March 2, 2005

By Hand

Mr. David McClanahan
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

**Re: In the Matter of the Petition of Project Holdings Corp. and NA Communications Inc. to Complete a Transfer of Control of an Authorized Carrier
Docket No. 05-00052**

Dear Mr. Dalton:

NTELOS Inc. ("NTELOS") has just completed three of the steps we described in the Application for approval of the transfer of control of NA Communications Inc. ("NA Communications") in Docket No. 05-00052 (the "Merger"). Specifically, we completed our recapitalization by committing to a \$35 million revolving credit facility, a \$400 million Term B Loan (collectively, the "First Lien Financing") and a \$225 million Term Loan Facility (the "Second Lien Financing" and together with the First Lien Financing, the "New Financing"). The funds received from the New Financing were used to repay existing indebtedness (the "Recapitalization"), buy back a certain portion of the outstanding stock of NTELOS (the "Stock Buyback") and cover transactional costs. Furthermore, immediately following completion of the Recapitalization and Stock Buyback, Project Holdings LLC (the successor by conversion of Project Holdings Corp.) ("Project Holdings") purchased, from holders of NTELOS equity, stock and warrants equivalent to 24.9% of the post-Recapitalization outstanding shares of NTELOS ("Initial Stock Purchase"). The Recapitalization, the Stock Buyback and Initial Stock Purchase were all completed on Thursday, February 24, 2005 and are described in the attached announcement of the transactions. Although Project Holdings converted to a Delaware limited liability company for purposes of undertaking the Initial Stock Purchase, Project Holdings will convert back to a Delaware general business corporation prior to consummation of the Merger.



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Please be advised that we are providing this update to the Authority for informational purposes only; the terms and conditions of the merger as described in the Joint Petition, and the Merger approval the parties to that petition are seeking, remain unchanged.

We look forward to answering any questions you may have about the Joint Petition and to having it considered by the Staff and the Authority as promptly as possible so that we can complete the Merger.

Please let me know if you have any questions or comments.

Sincerely yours,

A handwritten signature in black ink, appearing to read "RDG", followed by a long, sweeping horizontal line that extends to the right.

Richard D. Gary

RDG/tms
Attachment

cc: Mary McDermott, Esq.
D. Zachary Grabill, Esq.

For Immediate Release

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Director of Investor Relations
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NTELOS ANNOUNCES CLOSING OF SELF-TENDER OFFER, INITIAL PURCHASE BY AFFILIATE OF CITIGROUP VENTURE CAPITAL EQUITY PARTNERS AND QUADRANGLE CAPITAL PARTNERS, AND RECAPITALIZATION

Waynesboro, VA – February 24, 2005

NTELOS announced today the completion of the initial transactions under a previously announced agreement with an entity formed by Citigroup Venture Capital Equity Partners, L.P. ("CVC") and Quadrangle Capital Partners LP ("Quadrangle") by which the Company will be recapitalized and sold.

NTELOS Inc. announced the final results of its successful self-tender offer for its outstanding equity at \$40 in cash per common share, on an as converted basis. The offer, which was oversubscribed, expired on Friday, February 18, 2005. Because the offer was oversubscribed, NTELOS accepted approximately 75% of each of the tendered shares, warrants and options in the amounts contemplated in the tender offer documents, for an aggregate purchase of approximately \$440 million of its securities.

NTELOS also announced today that, following the completion of the tender offer, the entity formed by CVC and Quadrangle purchased for \$40 in cash per common share, on an as converted basis, common stock and warrants representing approximately 24% of the outstanding common stock of the company and approximately 22% of the fully-diluted equity of the company.

Checks or wire transfers for the purchase price of the securities accepted in these transactions are expected to be delivered or mailed to participating holders on or before March 2, 2005, together with certificates representing common stock and warrants not purchased in the transactions.

In connection with these transactions, NTELOS has entered into new \$660 million senior secured credit facilities consisting of (i) a senior secured first lien bank financing in the form of (x) a term loan facility in the amount of \$400 million and (y) a revolving credit facility in the amount of \$35 million and (ii) a senior secured second lien term loan facility in the amount of \$225 million. NTELOS has borrowed \$625 million under these facilities and used the proceeds to make the tender offer purchases and pay off long-term debt.

Following receipt of regulatory approvals and satisfaction of other closing conditions, the entity formed by CVC and Quadrangle will acquire the remainder of the company's equity at a price of \$40 in cash per common share, on an as converted basis.

Citigroup Venture Capital, one of the oldest and largest private equity firms, currently manages \$2.6 billion in private equity partnerships with major institutional investors and its parent company, Citigroup. Founded in 1968, CVC has been the lead investor in some 200 transactions over the past two decades including numerous successful LBOs and IPOs for a broad range of industries.

Quadrangle Group LLC manages over \$2.5 billion in several funds including Quadrangle Capital Partners LP, a \$1.1 billion private equity fund that specializes in the media and communications industries. Quadrangle Group was founded in March 2000 by former Managing Directors of Lazard Frères & Co. LLC who have more than 60 years of combined experience in private equity and in media and communications. For more information, visit www.quadranglegroup.com.

About NTELOS Inc.

NTELOS Inc. is a regional integrated communications provider with headquarters in Waynesboro, Virginia. NTELOS offers a broad range of wireless and wireline products and services to customers in Virginia and West Virginia and portions of Kentucky, Tennessee, Ohio and North Carolina. Detailed information about NTELOS is available online at www.ntelos.com.

Cautionary Statement Regarding Forward-Looking Information

This press release and oral statements made from time to time by representatives of the Company may contain "forward-looking" statements concerning the Company's future expectations, financial and operating projections, plans, and strategies. These statements are not guarantees for future performance and involve risks and uncertainties and any significant deviations from these assumptions could cause actual results, performance or achievements of the Company to differ materially from those expressed or implied by such forward-looking statements. The Company undertakes no obligation to revise or update such forward-looking statements to reflect current events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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